

STTM INTERFACE PROTOCOL – DRAFT DECISION – 11 SEPTEMBER 2014

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DOCUMENT REF: 45-27898

VERSION: 0.1

DATE: 11 September 2014

DRAFT DECISION FOR PUBLICATION

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Glossary of terms

| Terms or Abbreviations | Explanation |
|-------------------------------|-----------------------------------------------|
| AEMC | Australian Energy Market Commission |
| AEMO | Australian Energy Market Operator |
| GWCF | Gas Wholesale Consultative Forum |
| MIS | Market Information Systems |
| NGO | National Gas Objective |
| NGR or Rule(s) | National Gas Rules |
| SIP | STTM Interface Protocol |
| STTM | Short Term Trading Market |
| STTM-ITDF | STTM Information Technology Development Forum |

Notice of Consultation

Notice under Rule 9(2)(c) of the National Gas Rules.

The Australian Energy Market Operator (AEMO) gives notice of consultation on the amendments to the STTM Interface Protocol for the Short Term Trading Market (STTM) under Rule 368 of the National Gas Rules.

This notice of consultation is dated 11 September 2014.

Matters for consultation

Amendments to the STTM Interface Protocol are required as a result of changes to the gas market systems which result from amendments to the National Gas Rules and the STTM procedures for:

- STTM deviations and the settlement surplus and shortfall.

In addition, some SIP amendments are being made as a result of Change Requests or to correct defects in gas market systems.

AEMO reasonably considers that the implementation of the SIP amendment is urgent and therefore will be implementing this SIP amendment under the expedited consultation procedure.

Closing date for submissions

AEMO is inviting comment on this Draft Decision by **5pm AEST on 2 October 2014**.

Submissions should be sent via email to GWCF_Correspondence@aemo.com.au and addressed to Mr David Tagg, Settlements & Prudentials.

AEMO requests that all submissions be forwarded in electronic format (pdf or Word) as they will be published on the AEMO website.

The consultation timetable

AEMO aims to complete this SIP amendment by publishing a Final Decision on these SIP amendments by 20 October 2014 with a proposed effective date of 1 November 2014.

The consultation timetable is presented in section 6 of this paper.

1 Purpose of the STTM Interface Protocol

AEMO established the STTM Interface Protocol (SIP) to govern the provision of communications under Part 20 of the National Gas Rules (NGR) (see Rule 368(1)). A number of artefacts constitute the SIP and describe market systems' communications in detail. The SIP is published on the AEMO website.

AEMO may only amend the SIP (or its artefacts) in accordance with the standard consultative procedure or, if urgent, the expedited consultative procedure (see Rule 368(2)).

In accordance with Rule 368 of the NGR, AEMO is proposing to amend the SIP, to incorporate the updated SIP artefacts as set out in Appendix A and B.

2 Consultation under the Expedited Consultative Procedure

AEMO reasonably considers that the proposed amendment to the SIP to be urgent and therefore AEMO will be consulting with Trading Participants, STTM facility operators, STTM distributors and allocation agents in accordance with the expedited consultative procedure under Rule 9.

AEMO considers that the proposed consultation is adequate because:

- AEMO has previously consulted on these SIP amendments with Trading Participants, STTM facility operators, STTM distributors and allocation agents via:
 - the Gas Wholesale Consultative Forum (GWCF) on the scope of the changes for the planned October 2014 gas market systems release;
 - the STTM Information Technology Development Forum (STTM-ITDF) on the planned changes to the market interfaces and reports involving technical consultation with industry participants; and
 - a Change Notice emailed to these groups in July 2014, outlining the scope of changes.
- the National Gas Objective (NGO) requires that AEMO promote efficient operation of natural gas services for the long term interests of consumers, this results in AEMO having two conflicting priorities:
 - ensure the gas market systems are considered to be free from errors, following AEMO and participant testing, before implementation to minimise the risk of gas market systems producing erroneous market outcomes that undermine the NGO.
 - implement the market systems as soon as possible, following the end of gas market system testing, to ensure the gas market operates efficiently.
- participants will be able to access and test the changes to the market systems and reports during the industry test period from 19 September to 02 October 2014 which overlaps the consultation period of the STTM Interface Protocol amendments providing participants opportunity to be better informed in their assessment of the STTM Interface Protocol amendments.

3 Rule changes requiring amendments to the SIP

3.1 STTM deviation pricing

Rule changes to STTM deviation pricing require the following changes to STTM market systems:

- Modification of the deviations calculations in the AEMO settlements system (This is an internal system change and does not affect any participant facing system).
- New and modified MIS reports.

4 Draft Decision

AEMO is proposing to amend the SIP to incorporate the latest changes to the gas market systems made as part of Gas Release 35. AEMO's reasons for making the decision to amend the SIP are:

- the amendments are required to align the SIP (and artefacts) with the changes to the STTM systems as part of the planned October 2014 gas market systems release (Release 35).
- the majority of the proposed SIP amendments are needed to align the market systems to Rule and STTM Procedure changes – STTM deviations and the settlement surplus and shortfall – which were consulted on through separate Rule and procedure change processes by the AEMC and AEMO respectively.
- some SIP amendments are being made as a result of Change Requests or to correct defects in gas market systems. AEMO considers that these change requests and defect corrections will provide a market benefit for industry and should be implemented.
- As part of this planned gas market systems release there will be changes to the gas market systems that require an amendment to the SIP artefacts. A summary of the changes to the SIP or artefacts are set out in Appendix A.

AEMO is proposing to incorporate the updated versions of the SIP artefacts into the SIP as summarised in Appendix B.

5 References

The current version of the SIP artefacts can be found on the AEMO website under the STTM Interface Protocol at: <http://www.aemo.com.au/Gas/Policies-and-Procedures/Short-Term-Trading-Markets/Rules-Procedures-and-Interface-Protocol>.

Change tracked versions of the SIP artefacts are published on the AEMO website with this Notice and Draft Decision.

6 Consultation Timetable

The following table contains an outline of the consultation process, including key dates. Please note that some of these dates are proposed dates and may be subject to change.

Table 1.1 – Timetable for SIP amendment implementation

| Process | Date |
|---------------------------------------------------|---------------------------------------------|
| Publication of the Draft Decision | 11 September 2014 |
| Submissions due in response to the Draft Decision | 2 October 2014 |
| Publication of the Final Decision and amended SIP | Currently, proposed date is 20 October 2014 |
| Effective date of the new SIP | Currently, proposed date is 1 November 2014 |

Appendix A - Summary of the changes to the SIP or artefacts

STTM Interface Protocol Artefacts

The SIP is comprised of the following SIP artefacts:

- STTM Participant Build Pack
- STTM Participant Build Pack Business Validations Addendum
- STTM Report Specifications

The amendments to these SIP artefacts are summarised in the following tables along with a reference to the change process that caused the SIP amendment where applicable.

Table A.1 - Summary of amendments to the STTM Participant Build Pack SIP artefact

| Change Request / Defect Reference | Issue |
|-----------------------------------|---------------------------------------|
| | No Changes required to this artefact. |

Table A.2 - Summary of amendments to the STTM Participant Build Pack Validations Addendum SIP artefact

| Change Request / Defect Reference | Issue |
|-----------------------------------|---------------------------------------|
| | No Changes required to this artefact. |

Table A.3 - Summary of amendments to the STTM Reports Specifications SIP artefact

| Change Request / Defect Reference | Issue |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | New MIS public report to provide information on deviation price and the data used to determine the deviation price for each STTM hub for a gas day. <ul style="list-style-type: none"> • INT690 – Deviation Price Data |
| QC-3866 | Modifications to INT724 – Ranked Deviation Quantities Report Currently the INT724 report contains 4 days of data so this report has been changed to reflect 7days of data to be aligned with the MSV window and Deviation Pricing changes. |

Appendix B - Summary of the amendments to the SIP

The substantive change to the SIP will be in the reference to the active version of the SIP artefacts. The following table details the SIP artefacts versions that are expected to become effective following this consultation process. These are expected to be the only material changes to the SIP.

Table B.1 - Summary of amendments to SIP

| Form of Communication | Document | Version |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Reports | STTM Report Specifications Purpose: specify all of the reports published by AEMO on its STTM Market information System (to Trading Participants, STTM facility operators, STTM distributors and the public). | 45 16 |